GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2666
ANSWERED ON:16.03.2007
FDI THROUGH MAURITIUS
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

(a) the year-wise amount of Foreign Direct Investment coming through Mauritius since Government of India entered into Double Taxation Avoidance Treaty with that country;

(b) whether there is revenue losses due to the India-Mauritius Double Taxation Avoidance Treaty;

(c) if so, the details thereof;

(d) whether the Joint Working Group (JWG) on India-Mauritius DTAC has deliberated on the issue;

(e) if so, the details thereof;

(f) the steps taken/being taken by the Government in this regard; and (g) the time by which the final decision is likely to be taken in this regard to avoid further losses?

Answer

MINISTER OF STATE FOR FINANCE (REVENUE) (SHRI S.S.PALANIMANICKAM)

(a) The Double Taxation Avoidance Convention (DTAC) between India and Mauritius was notified on 06.12.1983. The details of Foreign Direct Investments coming through Mauritius are available from the period August, 1991 to December, 2006. The year wise amount of Foreign Direct Investment comin through Mauritius since August, 1991 is as follows:-

SI.No	Year	Foreign Direct Investment (Amount in Rupees crores)
1	1991-92 (Aug-Mar.)	0.00
2	1992-93	0.00
3	1993-94	48.75
4	1994-95	617.68
5	1995-96	1,697.06
6	1996-97	2,990.93
7	1997-98	3,289.42

8 1998-99 2,257.94

9 1999-00 2,370.39

10 2000-01 4,111.30

11 2001-02 10,062.82

12 2002-03 3,765.74

13 2003-04 2,608.68

14 2004-05 5,141.36

15 2005-06 11,441.07

16 2006-07 (Apr-Dec) 19,250.19

(b) and (c) The exact amount of revenue loss due to the India-Mauritius Double Taxation Avoidance Convention (DTAC) cannot be quantified.

(d) Yes, sir

(e) Four meetings of the JWG have been held as under: -

(i) 5th and 6th October, 2006

(ii) 8 to 11th November, 2006

(iii) 28th to 29th December, 2006

(iv) 11Ol to 12th January, 2007
In ali the discussions of the JWG, Indian side has again and again expressed its deep concern on the issue of misuse of the treaty between the two countries.

(f) Efforts are being made through the JWG to find a mutually acceptable solution for addressing India`s concerns. Various options are being considered and are under discussion with the Government of Mauritius.

(g) Since the final decision cannot be taken without the agreement of the Mauritian Government, it is not possible to give a definite time frame.